Laspau, Inc.

Financial Report
December 31, 2019

Contents

RSM

RSM US LLP

Independent Auditor's Report

Board of Trustees
Laspau, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Laspau, Inc. (Laspau) which comprise the statements of financial position as of December 31, 2019 and 2018, the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Laspau as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

Boston, Massachusetts
August 18, 2020

Laspau, Inc.

Statements of Financial Position
December 31, 2019 and 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	**$ 638,071**	$ 938,086
Money market funds	**8,592,810**	9,961,023
Receivables from funding agencies	**529,851**	159,152
Pledges receivable	**21,100**	15,807
Prepaid expenses	**869,027**	840,307
Other current assets	**23,688**	14,848
Total current assets	**10,674,547**	11,929,223
Property and equipment, net	**219,040**	322,703
Total assets	**$ 10,893,587**	$ 12,251,926
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	**$ 551,893**	$ 683,143
Other short-term liabilities	**210,173**	251,266
Deferred revenue	**9,562,137**	10,861,474
Total current liabilities	**10,324,203**	11,795,883
Other liabilities:		
Accounts payable	**-**	250,000
Total liabilities	**10,324,203**	12,045,883
Commitments		
Net assets:		
Without donor restrictions	**319,384**	111,161
With donor restrictions	**250,000**	94,882
Total net assets	**569,384**	206,043
Total liabilities and net assets	**$ 10,893,587**	$ 12,251,926

See notes to financial statements.

Laspau, Inc.

Statements of Activities
Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Grants received	**$ 9,583,263**	**$ -**	**$ 9,583,263**	$13,352,317	$ -	$13,352,317
Less amounts designated by funders for specific beneficiaries	**(7,540,281)**	**-**	**(7,540,281)**	(11,447,338)	-	(11,447,338)
Net grant administration revenue	**2,042,982**	**-**	**2,042,982**	1,904,979	-	1,904,979
Other income:						
Seminars and workshops	**1,628,006**	**-**	**1,628,006**	1,210,815	-	1,210,815
Test administration	**223,781**	**-**	**223,781**	299,163	-	299,163
Interest income	**246,929**	**-**	**246,929**	187,709	-	187,709
Other	**17,205**	**-**	**17,205**	16,259	-	16,259
Net assets released from restrictions	**94,882**	**(94,882)**	**-**	177,163	(177,163)	-
Total revenue, gains and other support	**4,253,785**	**(94,882)**	**4,158,903**	3,796,088	(177,163)	3,618,925
Expenses:						
Grant administration	**1,521,402**	**-**	**1,521,402**	1,610,104	-	1,610,104
Seminars and workshops	**1,335,430**	**-**	**1,335,430**	1,123,722	-	1,123,722
Test administration	**184,757**	**-**	**184,757**	171,136	-	171,136
Management and general	**1,174,543**	**-**	**1,174,543**	1,652,277	-	1,652,277
Total expenses	**4,216,132**	**-**	**4,216,132**	4,557,239	-	4,557,239
Change in net assets from operations	**37,653**	**(94,882)**	**(57,229)**	(761,151)	(177,163)	(938,314)
Nonoperating income (expense):						
Contribution revenue	**268,175**	**250,000**	**518,175**	433,806	-	433,806
Fundraising expenses	**(97,605)**	**-**	**(97,605)**	(56,584)	-	(56,584)
Total nonoperating income (expense)	**170,570**	**250,000**	**420,570**	377,222	-	377,222
Change in net assets	**208,223**	**155,118**	**363,341**	(383,929)	(177,163)	(561,092)
Net assets:						
Beginning of year	**111,161**	**94,882**	**206,043**	495,090	272,045	767,135
End of year	**$ 319,384**	**$ 250,000**	**$ 569,384**	$ 111,161	$ 94,882	$ 206,043

See notes to financial statements.

Laspau, Inc.

Statements of Cash Flows
Years Ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	**$ 363,341**	$ (561,092)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	**158,159**	138,086
Changes in assets and liabilities:		
(Increase) decrease in:		
Money market funds	**1,368,213**	3,711,512
Receivables from funding agencies, net	**(370,699)**	738,092
Pledges receivable	**(5,293)**	12,562
Prepaid expenses	**(28,720)**	265,377
Other current assets	**(8,840)**	16,242
Increase (decrease) in:		
Accounts payable	**(381,250)**	370,743
Other short-term liabilities	**(41,093)**	(61,338)
Deferred revenue	**(1,299,337)**	(5,131,501)
Net cash used in operating activities	**(245,519)**	(501,317)
Cash flows from investing activities:		
Purchases of property and equipment, net	**(54,496)**	(8,812)
Net cash used in investing activities	**(54,496)**	(8,812)
Net decrease in cash and cash equivalents	**(300,015)**	(510,129)
Cash and cash equivalents:		
Beginning of year	**938,086**	1,448,215
End of year	**$ 638,071**	$ 938,086

See notes to financial statements.

Note 1. Nature of Organization

Laspau, Inc. (Laspau or the Organization) is a private, nonprofit corporation located in the Commonwealth of Massachusetts and affiliated with Harvard University (the University). Laspau designs, develops and implements academic and professional exchange programs on behalf of individuals and institutions in order to contribute to the advancement of education in Latin America, Canada, the Caribbean, and the United States. Through a variety of specialized services, Laspau carries out programs for several sponsors by cooperating with Latin American and Caribbean institutions seeking to assess and fulfill their educational and training needs. In support of its overall purpose, Laspau offers these specialized educational services to institutions in the Americas.

Note 2. Summary of Significant Accounting Policies

Classification and reporting of net assets: The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to not-for-profit organizations under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Financial Statements of Not-For-Profit Organizations. These requirements require the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the two net asset classes follows:

- Net assets without donor restrictions represent the portion of net assets of the Organization that is restricted by donor-imposed stipulations. Net assets without donor restrictions include expendable funds available for support of the Organization.
- Net assets with donor restrictions represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Cash and cash equivalents: Laspau considers all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents include the operating cash accounts available on a daily basis.

Other current assets: Laspau's other current assets include test booklets purchased for resale to third parties which are recorded at the lower of cost, determined by the first-in, first-out method, or market value.

Advertising: The Organization expenses advertising costs as incurred.

Concentration of credit risk: The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on cash and cash equivalents.

Property and equipment: Property and equipment, consisting of furniture, equipment, and software, are recorded at cost and depreciated over their estimated useful lives, generally four to five years, using the straight-line method. Expenditures for maintenance and repairs, which do not critically extend the useful life of the asset, are expensed as incurred.

When assets are sold or retired, the cost thereof and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss, if any, is credited to or charged against income.

Note 2. Summary of Significant Accounting Policies (Continued)

Impairment of long-lived assets: Laspau reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If facts or circumstances support the possibility of impairment, Laspau will prepare a projection of the undiscounted future operating cash flows. In cases when Laspau does not expect to recover its carrying value, an impairment loss will be recognized. As of December 31, 2019 and 2018, management has determined that no impairment indicators exist.

Deferred revenue: Laspau acts as an administrator for all of its funding agencies, which include the United States Government, the Organization of American States, and other countries and private organizations. As an administrator, Laspau receives grants from these organizations for the purpose of funding fellowships for students at educational institutions within the United States, Latin America, Canada, and the Caribbean. Laspau records deferred revenue upon receipt of these grants equal to the value of funds received in advance of disbursements. Deferred revenue is reduced as revenue from grants received is recognized.

Funds received from funding agencies are held by Laspau for future disbursement as designated by funders for specific beneficiaries. Prior to disbursement, funds are invested in money market funds.

Revenue: In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customer (Topic 606)*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The five-step model defined by ASC Topic 606 requires the Organization to (1) identify the contract with the customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract and (5) recognize revenue when each performance obligation is satisfied. Revenue is recognized when promised goods or services are transferred to the customer in an amount that reflects the consideration expected in exchange for those goods or services. ASC Topic 606 may be applied retrospectively to each prior period (full retrospective) or retrospectively with the cumulative effect recognized as the date of initial application (modified retrospective). On January 1, 2019, the Organization adopted ASC Topic 606, under the modified retrospective approach. The Organization has determined that the adoption of ASC Topic 606 did not result in an adjustment to net assets and did not have a significant effect on the amount and timing of revenue recognition for the year ended December 31, 2019.

Following is a description of the nature of each of the Organization’s services:

Scholarship administration**:** The Organization has contracts with various funding agencies, under which the Organization’s performance obligations are to advise and place grantees into scholarship programs. The Organization may also be obligated to provide direct grantee expenses such as tuition, housing, books, maintenance and insurance. Revenue related to scholarship administration is recognized over time as students receive the benefits of the services the Organization performs. The timing of revenue recognition is based on an input measure, which is based on labor and material costs incurred to date as they relate to the estimated total costs of providing advising and placement services. Direct grantee revenue is recognized at a point in time as the related expenses are incurred.

Seminars and workshops: The Organization generates revenue by providing university innovation training programs, seminars and workshops. Revenue related to training programs, seminars and workshops is recognized at the time the service is performed and the service obligation is satisfied.

Test administration**:** The Organization generates revenue by administering and scoring the Prueba de Admisión a Estudios de Posgrado (PAEP) standardized exam. Revenue related to test administration is recognized at the time the service is performed and the service obligation is satisfied.

Note 2. Summary of Significant Accounting Policies (Continued)

Total revenue recognized at a point in time and over time is summarized as follows for the years ended December 31:

	2019	2018
Revenue recognized over time:		
Scholarship administration	$ 1,764,684	$ 2,061,417
Revenue recognized at a point in time:		
Scholarship administration	7,818,579	11,290,900
Seminars and workshops	1,628,006	1,210,815
Test administration	223,781	299,163
	$ 11,435,050	$ 14,862,295

Tax status: The Organization is a not-for-profit organization which is qualified under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

The Organization follows FASB ASC 740, Income Taxes, which clarifies the accounting for uncertainty in income taxes by prescribing the recognition threshold a tax position is required to meet before being recognized in the financial statements. It also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Management believes that the Organization has no material uncertainties in income taxes.

The Organization is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities prior to 2016.

Use of estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Receivables from funding agencies: Laspau maintains allowances for doubtful accounts, when necessary, for losses resulting from the inability of their funders to make required payments. Laspau reviews their receivables on a regular basis to determine if past due balances are likely to be collected. This review includes discussions with Laspau's funders and their account representatives, the funders' payment history and other factors. Based on these reviews, Laspau may record or reduce an allowance for uncollectible accounts if they determine there is a change in the collectability of their receivables. No allowance for doubtful accounts was deemed necessary as of December 31, 2019 and 2018.

Contributions: Contributions, including unconditional promises to give, are initially recognized at fair value as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at fair value.

Contributions to be received after one year are discounted using a rate commensurate with the risk involved once an appropriate allowance for doubtful collections has been determined. An allowance for uncollectible contributions receivable is provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution, and nature of fund-raising activity. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets without donor restrictions class.

Note 2. Summary of Significant Accounting Policies (Continued)

Fair value measurements: Under the FASB's authoritative guidance on fair value measurements, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs and the Organization has various processes and controls in place to ensure that fair value is reasonably estimated.

Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level 2: Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.

Level 3: Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, the inputs are based on the lowest level of input that is significant to the fair value measurement.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

During the years ended December 31, 2019 and 2018, there were no changes to the Organization's valuation techniques that had, or are expected to have, a material impact on its balance sheets or results of operations.

The following is a description of the valuation methodologies used for instruments measured at fair value:

Money market funds: Money market funds are open ended funds that generally have subscription and redemption activity at a $1.00 stable net asset value. On a daily basis a fund's stable net asset value is calculated using the amortized cost (not market value) of the securities held in the fund. Money market funds are classified as level 1 within the fair value hierarchy.

Note 2. Summary of Significant Accounting Policies (Continued)

Recently adopted accounting pronouncements: During the year ended December 31, 2019, the Organization adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The Organization adopted the new standard effective January 1, 2019 using the modified retrospective approach. The adoption of this ASU did not have an effect on the amount and timing of revenue recognition for the year ended December 31, 2019.

During the year ended December 31, 2019, the Organization adopted ASU 2016-15, *Statement of Cash Flows (Topic 230)*: *Classification of Certain Cash Receipts and Cash Payments (A Consensus of the FASB Emerging Issues Task Force).* To reduce the diversity in practice, the ASU provides solutions for eight specific cash flow classification issues. The adoption of this ASU did not have an effect on the Organization's financial statements.

During the year ended December 31, 2019, the Organization adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Made.* This ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The adoption of this ASU did not have an effect on the Organization's financial statements.

Recent accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASU 2016-02 making it effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

Note 3. Available Resources and Liquidity

The Organization regularly monitors liquidity required to meet its operating needs. For purposes of analyzing resources available to meet general expenditures, such as operating expenses, over a twelve-month period, the Organization considers all expenditures related to its ongoing activities. At December 31, 2019 and 2018, the financial assets and liquidity resources available within one year for general expenditure comprise the following:

	2019	2018
Cash and cash equivalents	$ 638,071	$ 938,086
Money market funds	8,592,810	9,961,023
Receivables from funding agencies	529,851	159,152
Pledges receivable	21,100	15,807
Total financial assets and liquidity resources available within one year	$ 9,781,832	$ 11,074,068

Laspau management monitors bank accounts on a daily basis to ensure sufficient funds are available to cover checks written and wires sent. The finance director reviews cash flow history and projections for the fiscal year on a monthly basis, sharing them with the Board of Trustees on a quarterly basis.

Note 4. Property and Equipment

Property and equipment consist of the following at December 31:

	2019	2018
Furniture and equipment	$ 87,475	$ 80,872
Software	648,107	1,091,747
	771,582	1,172,619
Less accumulated depreciation	(552,542)	(849,916)
Property and equipment, net	$ 219,040	$ 322,703

Depreciation expense on fixed assets was $158,159 and $138,086 for the years ended December 31, 2019 and 2018, respectively. Most software costs incurred relate to the implementation of a customer relationship management system.

Note 5. Reimbursement of Grantee and Administrative Expenses

Arrangements with funding agencies normally provide for the recovery of both grantee and administrative expenses. For certain contracts administrative expenses are recovered based on an indirect cost rate which is subject to audit. Laspau recognizes revenue related to grantee and administrative expenses as actual costs are incurred or as allowed by contract.

Amounts paid to grantees are net of withholding taxes which Laspau remits on behalf of the grantees. These expenses are included in amounts designated by funders for specific beneficiaries.

Note 6. Commitments and Contingencies

Laspau is committed to minimum annual rent payments under a long-term non-cancelable operating lease for the use of office space and for certain office equipment until October 2025.

Rent expense for office space amounted to $278,230 and $299,727 during the years ended December 31, 2019 and 2018, respectively. The following is a schedule by year of future minimum rental payments required under the operating leases:

2020	$	288,062
2021		234,177
2022		239,410
2023		244,643
2024		248,568
Thereafter		186,426
	$	1,441,286

Note 7. Concentrations of Receivable Balances

Receivables from funding agencies at December 31 consist of the following:

	2019			2018		
	Primary Funding Agency Receivable Balances		Percent of Total Receivable Balance	Primary Funding Agency Receivable Balances		Percent of Total Receivable Balance
Programa Nacional de Becas	$	223,277	42%	$	-	0%
Universidad Nacional de Barranca		60,707	11%		-	0%
Universidad Nacional San Cristobal		94,000	18%		-	0%
Organization of American States		48,679	9%		25,251	16%
Universidad de Los Andes		27,900	5%		26,735	17%
Other funding agencies		75,288	15%		107,166	67%
	$	529,851		$	159,152	

Note 8. Related Parties

Laspau is an affiliate of the University. The University pays certain of Laspau's costs that are subject to reimbursement by Laspau. These reimbursable costs include salaries, employee fringe benefits and other expenses paid by the University on behalf of Laspau. Disbursements for these costs aggregated $2,862,901 and $3,072,614 in 2019 and 2018, respectively. At December 31, 2019 and 2018, $244,807 and $280,229, respectively, was payable to the University and is included in short-term accounts payable on the statements of financial position.

Note 8. Related Parties (Continued)

In addition, the Organization has an agreement with the University to repay an advance of funds which were used to finance restructuring costs incurred in 2018. The outstanding balance of this advance is $250,000. The monthly payments range from $20,000 to $25,000 plus interest at 1.25% starting in January 2019 through June 2019, and 2.13% starting in July 2019 through October 2020. The amounts owed to the University under this agreement at December 31, 2019 and 2018, are included in accounts payable in the statements of financial position as follows:

	2019	2018
Current accounts payable	$ 250,000	$ 265,000
Long-term accounts payable	-	250,000
	$ -	$ 515,000

Laspau utilizes the University's fringe benefit rate to recover employee fringe benefit costs from sponsors.

Employees of Laspau are governed by the personnel plans and policies of the University, including those policies covering post-retirement benefits and vacation time earned and vested.

Note 9. Net Assets

Net assets with donor restrictions consist of purpose-restricted contributions of $250,000 for the Technological Frontiers program, and $94,882 for the Fulbright program as of December 31, 2019 and 2018, respectively.

Note 10. Functional Expenses

Direct costs are charged to the applicable natural and functional classifications whenever possible. However, the financial statements report certain categories of expenses that are attributable to more than one program or supporting function of the Organization. These expenses require allocation on a reasonable basis that is consistently applied. Administrative overhead costs, information system costs, and depreciation are allocated based on estimates of time and effort.

The following tables present functional expenses by natural classification for the years ended December 31:

	2019						
	Program Services						
	Grant Administration	Seminars and Workshops	Test Administration	**Total Program Services**	General and Administrative	Fundraising	**Total**
Personnel	$ 1,101,087	$ 294,460	$ 133,149	**$ 1,528,696**	$ 852,117	$ 22,738	**$ 2,403,551**
Professional fees	77,132	275,359	9,219	**361,710**	58,999	41,761	**462,470**
Building and equipment	143,119	38,274	17,307	**198,700**	110,758	2,955	**312,413**
Information systems	74,643	20,239	9,459	**104,341**	54,907	1,485	**160,733**
Travel	24,702	487,777	1,141	**513,620**	7,304	890	**521,814**
Office expenses	16,992	10,056	2,569	**29,617**	12,495	351	**42,463**
Marketing and communications	4,180	180,192	672	**185,044**	3,235	10,659	**198,938**
Administrative	7,547	9,818	1,543	**18,908**	19,009	15,279	**53,196**
Depreciation	72,000	19,255	9,698	**100,953**	55,719	1,487	**158,159**
Total	**$ 1,521,402**	**$ 1,335,430**	**$ 184,757**	**$ 3,041,589**	**$ 1,174,543**	**$ 97,605**	**$ 4,313,737**

	2018						
	Program Services						
	Grant Administration	Seminars and Workshops	Test Administration	**Total Program Services**	General and Administrative	Fundraising	**Total**
Personnel	$ 1,224,185	$ 270,363	$ 130,430	**$ 1,624,978**	$ 1,271,297	$ 23,665	**$ 2,919,940**
Professional fees	58,601	232,156	6,244	**297,001**	60,856	13,294	**371,151**
Building and equipment	144,990	33,150	15,448	**193,588**	150,571	2,803	**346,962**
Information systems	67,206	16,393	7,160	**90,759**	69,793	1,299	**161,851**
Travel	16,197	388,357	694	**405,248**	6,768	3,855	**415,871**
Office expenses	13,408	5,975	2,663	**22,046**	12,483	488	**35,017**
Marketing and communications	3,979	152,241	424	**156,644**	4,132	9,595	**170,371**
Administrative	23,646	12,301	1,905	**37,852**	16,256	466	**54,574**
Depreciation	57,892	12,786	6,168	**76,846**	60,121	1,119	**138,086**
Total	**$ 1,610,104**	**$ 1,123,722**	**$ 171,136**	**$ 2,904,962**	**$ 1,652,277**	**$ 56,584**	**$ 4,613,823**

Note 11. Subsequent Events

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in the first and second quarter of 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organization is unable to determine if it will have a material impact to its operations.

On May 1, 2020, the Organization received a loan from Bank of America in the aggregate amount of $377,397 pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the Cares Act, which was enacted on March 27, 2020.

Note 11. Subsequent Events (Continued)

The PPP loan, which as in the form of a Note dated May 1, 2020, matures on May 1, 2022 and bears interest at the rate of 1% per annum, payable monthly commencing on November 1, 2020. The note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the PPP loan may be only used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Organization intends to use the entire PPP loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. On June 5, 2020, there was an amendment to the CARES Act signed into law affecting the PPP. This amendment lengthened the covered time period for loan forgiveness and also modified certain conditions of the loan creating additional flexibility in regards to how the funds must be spent.

The Organization has evaluated subsequent events through August 18, 2020, the date the financial statements were available to be issued.